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PCC 24-02-15 Capital Budget Monitoring 2015-16 Qtr 3 to December 2015 (agenda item 06)



Office of the Police & Crime Commissioner

TITLE: Capital Budget Monitoring 2015/16 – Quarter 3 to Dec 2015

Date of Meeting: 24 February 2016

Executive Summary:

The attached report provides an updated position of income and expenditure against the capital programme as approved for the current financial year. Projections are based on actual expenditure up to the end of December 2015 plus estimates of spending for future periods provided by the project managers. Known changes to the capital programme budget approved to date have been included in the report.

Recommendation:

The Commissioner is asked to:

- Note the latest forecasts of expenditure against the capital programme for 2015/16.

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MAIN SECTION**1. Introduction and Background**

1.1 The Commissioner approves on an annual basis a 10 year capital strategy and a more detailed four year capital programme. This includes the annual capital budget that finances the delivery of capital schemes and provides for investment in ICT, the estate, vehicles and equipment needed to deliver operational policing.

1.2 This report is set out in two main sections:

- Section 2, provides an update on the capital budget for the current financial year (2015/16).
- Section 3, provides a brief update on the overall capital programme for a four year period to 2018/19.

2. Capital Budget 2015/16

2.1 On 24 February 2015 the Commissioner approved the capital budget for 2015/16. The capital programme has subsequently been amended to incorporate the effect of the capital outturn position for 2014/15 and in year changes, such as variations to existing schemes.

The table below summarises the movement in the capital budget as at the end of the third quarter and shows a net reduction of just £1,143k (9.7%) against the approved budget for 2015/16. This represents projected slippage of £959k (of which £158k had been reported previously) and other net changes to the budget of £185k.

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Summary of Budget Movement 2015/16	Capital Budget 2015/16 £000s
Capital Budget 2015/16 (approved by PCC 24/02/15)	9,941
Impact of 2014/15 Capital Outturn (approved 21/05/15)	472
New Schemes Approved/Drawdown	134
Budgets Changes - Approved	1,242
Approved Adjusted Budget 2015/16	11,789
Current Forecast of Capital Expenditure 2015/16	10,646
Forecast Variation	(1,143)
Made up of:	
1 Budget Changes (Under)/Overspend	(185)
2 Forecast Slippage to 2016/17	(959)
	(1,143)

The forecast capital expenditure and financing position for 2015/16 can be summarised as follows:

Summary of Capital Budget 2015/16	2015/16 £000s
Capital Expenditure	
ICT Schemes	4,191
Fleet Schemes	599
Estates Schemes	4,991
Other Schemes	864
	10,646
Capital Financing	
Capital Receipts	0
Direct Revenue Contributions	1,869
Capital Grants	576
Reserves	6,155
Borrowing	2,045
	10,646

A more detailed breakdown of the individual schemes that make up these amounts can be found at **Appendix A**.

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2.2 The paragraphs below provide a brief update on the progress on each of the main categories of scheme:

- ICT Schemes are comprised of the rolling replacement programme in respect of ICT hardware, software and radios together with schemes to support the roll out of larger specific projects.

Scoping work has been completed on a converged infrastructure approach to ICT delivery, which will improve the efficiency of the rolling infrastructure replacement programme and make savings across the 10 year capital strategy. The converged Infrastructure project has now been approved and the budgets have been re-profiled, including bringing forward some budgets from 2016/17 in to 2015/16.

During the 15/16 financial year the Mobile and Digital project has successfully deployed the Smartphone devices to officers and staff which have delivered significant operational benefits. Deployment was broadly on schedule. The next stage of the project is to deploy “flex” devices. Procurement is underway but is behind schedule due to supply issues. During the current financial year the programme has been impacted by a number of different issues, including technical and resource interdependencies with other strategic initiatives and supplier delivery plans. Decisions have been taken to prioritise ICT deliveries to minimise risk and manage resource effectively and as a result some aspects of the Mobile and Digital project have been deferred to later in the programme and capital provision slipped to 2016/17. A more detailed review of the capital forecast for the project is to be undertaken in the final quarter of 2015/16.

The national project to implement a computer usage audit tool which had been deferred and will no longer be implemented in its current form. Further evaluation of alternative systems will be undertaken and a new business case developed. The projects to replace the Wide Area Network and the Criminal Justice Extranet have been completed. Overall, this has resulted in the return of £200k of budget.

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- Fleet Schemes are comprised of the cyclical replacement of the Constabulary fleet of vehicles – A small amount of budgeted replacements in 2015/16 have been slipped into 2016/17 pending the outcome of reviews. The remainder of the 2015/16 replacements are expected to be delivered in line with the plan.
- Estates Schemes are comprised of the construction of the Barrow TPA HQ, work to HQ site in preparation for the North Resilience Flood Management Works and a number of smaller estates projects - Expenditure predominantly relates to the Barrow project. The new TPA HQ was completed and handed over in mid-September and became operational in early October.

Works to the HQ site continue with the installation of the new electrical infrastructure. Contractors have now started on site and the works will take until June to complete. The majority of the expenditure will fall into 2016/17 and the budget has been profiled across the financial years to reflect this.

- Other Schemes include the CCTV project, intranet and internet and firearms and camera replacements. – The large part of this category is in relation to the provision of a county wide CCTV system, which is now operational. One camera is still to be installed and this has been delayed due to the condition of the mounting pole. The pole belonging to the legacy CCTV system had been identified as a site for the new camera but the internal structure has collapsed resulting in damage to the electricity supply and data cables. This had not been foreseen and has resulted in a £15k increase to the budget for the replacement. A contribution from the CCTV revenue budget will be used to fund this work and the capital financing schedules have been adjusted to reflect this.

Replacement Body Cameras and replacement Digital Interview Suite equipment have been added as new schemes. These have been funded by additional contributions from Constabulary revenue and the capital financing schedules have been increased to reflect this.

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3. Capital Programme 2015/16 to 2018/19

The table below provides a summary of the capital programme and associated capital financing over the four year period to 2018/19:

Summary of Capital Budget 2015/16 to 2018/19				
	2015/16	2016/17	2017/18	2018/19
	£000s	£000s	£000s	£000s
Capital Expenditure				
ICT Schemes	4,191	4,891	1,458	1,011
Fleet Schemes	599	816	1,491	684
Estates Schemes	4,991	3,510	2,884	38
Other Schemes	864	24	95	0
	10,646	9,241	5,928	1,732
Capital Financing				
Capital Receipts	0	0	0	248
Direct Revenue Contributions	1,869	1,200	1,240	1,222
Capital Grants	576	5,131	4,687	262
Reserves	6,155	2,810	0	0
Borrowing	2,045	100	0	0
	10,646	9,241	5,928	1,732

A more detailed schedule is provided at **Appendix B** which also illustrates the whole life costs of the current projects within the capital programme.

The ICT schemes have been re-profiled following the approval of the Converged Infrastructure programme. As a result £1,110k from 2016/17 and £34k from 2017/18 have been brought forward into 2015/16 to facilitate the purchase of the hardware. Overall, the budget requirement for the scheme has reduced by £630k over the life of the capital programme.

4. Supplementary Information

4.1 Appendices to this report are provided as follows:

- Appendix A – Capital Budget 2015/16
- Appendix B – Capital Programme 2015/16 to 2018/19

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Appendix A

Capital Budget 2015/16

Capital Budget 2015/16	Original Approved Budget £000s	Impact of 2014/15 Outturn £000s	New Schemes Approved £000s	Budget Variations Approved £000s	Approved Adjusted Budget £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
ICT Schemes							
ICT Historic Schemes	26	0	0	0	26	0	(26)
Information security	78	0	0	0	78	0	(78)
Software Application Replacement	0	0	0	0	0	0	0
Hardware Replacement	523	147	(265)	(25)	380	357	(23)
Hardware Comms / Network Replacement	556	40	671	1,144	2,411	2,287	(124)
Communications Network Replacement	148	(47)	(271)	0	(170)	(170)	0
Radio Replacement	0	0	0	0	0	0	0
Infrastructure Solution Replacement	1,169	(24)	(120)	(100)	925	825	(100)
Devices & Applications	871	(68)	0	0	802	759	(43)
Digital Working	170	0	0	0	170	0	(170)
Digital Enablers	295	8	0	0	303	134	(169)
Total ICT Schemes	3,835	55	15	1,019	4,924	4,191	(733)
Fleet Schemes	1,299	(573)	0	0	726	599	(127)
Estates Schemes							
South Estate - Kendal	137	7	0	0	145	45	(100)
South Estate - Barrow & Ulverston	3,471	683	0	67	4,222	4,222	0
HQ Flood Defence Works	33	(29)	0	(6)	(1)	(1)	0
HQ Demolition of The Green	80	0	0	0	80	0	(80)
HQ Electrical Infrastructure	200	(79)	0	70	191	191	0
Workington Land Purchase	500	0	0	0	500	500	0
Durranhill Carpark	0	0	47	(13)	34	34	0
Total Estates Schemes	4,422	583	47	119	5,171	4,991	(180)
Other Schemes							
ANPR	0	9	0	0	9	9	0
Finance & Business Systems Upgrade	101	4	0	0	105	10	(95)
Firearms Replacement	0	7	0	0	7	7	0
CCTV	80	368	0	63	511	502	(9)
Intranet	0	50	0	0	50	50	0
Internet	75	0	0	(25)	50	50	0
Leadership & Skills - Blended Learning	110	(31)	0	0	79	79	0
Egremont Vetrans Hostel	19	0	0	67	86	86	0
Body Worn Video Cameras	0	0	46	0	46	46	0
	0	0	26	0	26	26	0
Total Other Schemes	385	407	72	105	968	864	(104)
Total Capital Expenditure 2015/16	9,941	472	134	1,242	11,789	10,646	(1,143)

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Appendix B

Capital Programme 2015/16 to 2018/19

	Current Approved Budget	Spend to 31 Mar '15	Programme Remaining Budget	Spend to Dec-15	Projected Outturn 2015/16	Projected Outturn 2016/17	Projected Outturn 2017/18	Projected Outturn 2018/19	Projected Total Cost	Forecast Variation
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
ICT Schemes										
ICT Historic Schemes	3,972	3,946	26	0	0	26	0	0	3,972	0
Information security	78	0	78	0	0	0	0	0	0	(78)
Software Application Replacement	95	61	35	0	0	0	0	35	95	0
Hardware Replacement	3,077	1,088	1,989	189	357	458	186	336	2,424	(652)
Hardware Communications Network Replacement	4,893	836	4,056	25	2,117	1,150	453	238	4,794	(98)
Communications Network Replacement	0	0	0	0	0	0	0	0	0	0
Radio Replacement	514	464	50	0	0	50	0	0	514	0
Infrastructure Solution Replacement	2,496	159	2,337	283	825	1,400	112	0	2,496	0
Devices & Applications	3,033	443	2,589	68	759	827	641	362	3,033	0
Digital Working	854	0	854	0	0	748	66	40	854	0
Digital Enablers	469	104	365	97	134	231	0	0	469	0
Total ICT Schemes	19,481	7,101	12,380	661	4,191	4,891	1,458	1,011	18,652	(829)
Fleet Schemes	3,590	0	3,590	474	599	816	1,491	684	3,590	0
SUB TOTAL CONSTABULARY PROGRAMME	23,071	7,101	15,970	1,135	4,790	5,707	2,949	1,694	22,242	(829)

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Appendix B

Capital Programme 2015/16 to 2018/19 (Continued)

	Current Approved Budget	Spend to 31 Mar '15	Programme Remaining Budget	Spend to Dec-15	Projected Outturn 2015/16	Projected Outturn 2016/17	Projected Outturn 2017/18	Projected Outturn 2018/19	Projected Total Cost	Forecast Variation
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Estates Schemes										
South Estate - Kendal	3,610	3,465	145	2	45	100	0	0	3,610	0
South Estate - Barrow & Ulverston	9,104	4,883	4,222	3,861	4,222	0	0	0	9,104	0
HQ Flood Defence Works	59	60	(1)	(1)	(1)	0	0	0	59	0
HQ Demolition of The Green	80	0	80	0	0	80	0	0	80	0
HQ Electrical Infrastructure	717	79	638	12	191	446	0	0	717	0
Workington Land Purchase	500	0	500	0	500	0	0	0	500	0
Durranhill Carpark	34	0	34	3	34	0	0	0	34	0
Roof Repairs	183	146	38	0	0	0	0	38	183	0
Strategic Command Centre	5,017	0	5,017	0	0	2,509	2,509	0	5,017	0
NPT Base - Replacement Hostel	750	0	750	0	0	375	375	0	750	0
Total Estates Schemes	20,055	8,633	11,422	3,877	4,991	3,510	2,884	38	20,055	0
Other Schemes										
ANPR	105	96	9	1	9	0	0	0	105	0
Finance & Business Systems Upgrade	842	737	105	9	10	0	95	0	842	0
Firearms Replacement	75	68	7	6	7	0	0	0	75	0
CCTV	1,106	595	511	480	502	24	0	0	1,121	15
Intranet	50	0	50	18	50	0	0	0	50	0
Internet	50	0	50	49	50	0	0	0	50	0
Leadership & Skills - Blended Learning	79	0	79	0	79	0	0	0	79	0
Egremont Vetrans Hostel	114	28	86	86	86	0	0	0	114	0
Body Worn Video Cameras	46	0	46	46	46	0	0	0	46	0
Digital interview Equipment	26	0	26	0	26	0	0	0	26	0
Total Other Schemes	2,492	1,524	968	694	864	24	95	0	2,507	15
GRAND TOTAL CAPITAL PROGRAMME	45,617	17,257	28,360	5,706	10,646	9,241	5,928	1,732	44,804	(814)

Corporate Support / Financial Services / MB/LVH